

# OFFICE OF THE CITY MANAGER

DATE: FRIDAY, JULY 6, 2012  
TO: MAYOR AND CITY COUNCIL  
FROM: SCOTT H. NEAL, CITY MANAGER  
RE: FRIDAY REPORT FOR JULY 6, 2012

## FRIDAY REPORT



- 1. BE Line** – I was informed by Metro Transit today that they are discontinuing the unique “BE Line” branding from their Bloomington-Edina circulator routes 538 and 539. They are not discontinuing routes 538 and 539, just the “BE Line” branding of them. The 538 and 539 lines will be rebranded with the standard Metro Transit brand in the future. They will change the branding as they change the buses. Metro Transit will replace the 538 and 539 small buses later this year and the large buses in 2014 and 2016.
- 2. Health Care Rebate** – As required by the Affordable Care Act, HealthPartners will comply with the Medical Loss Ratio (MLR) rule. Under this federal mandate, health insurers must spend at least 85 percent of premiums they receive in large groups on health care services and activities to improve health care quality. In small groups, it is 80 percent. HealthPartners was the City’s employee health insurance carrier in 2011. They classified our account in their large group category. If the percentage is not met, the insurer must rebate the difference by Aug. 1, 2012, for the 2011 service year. For calendar year 2011, HealthPartners will be sending a rebate to certain fully insured large Minnesota employers representing approximately 5 percent of our membership. For this segment of our employer clients, of which the City of Edina is included, HealthPartners achieved a loss ratio of 83.7 percent, which is 1.3 percentage points short of the 85 percent MLR requirement. HealthPartners is sending a rebate check to the City of Edina by Aug. 1, 2012 in the amount of \$14,604.23. There are restrictions on how the money can be spent. Staff are working with Health Partners to discern those restrictions.
- 3. Street Project Updates** – The first layer of bituminous pavement has been completed for the entire Valley Estates Street Reconstruction Project. The contractor continues to work on the restoration of the boulevards in that project area. At the Viking Hills Street Reconstruction Project, the first layer of bituminous pavement has been completed on Gleason Court and Vernon Hills. The contractor has started the second stage of the project, which includes utility work and pavement removal. The first layer of bituminous pavement and sod installation has been completed on the first stage of construction for the Countryside Street Reconstruction Project. The second stage of that project is under way. At the Richmond Hills Park Street Reconstruction Project, underground utility work (sanitary sewer, storm sewer and water main) has been completed on the first stage of project. Installation of concrete curb and gutter and driveways will start next week on the first stage. Landscaping for 70th Street boulevards from Minnesota Highway 100 to France Avenue has been completed. The fiber optic expansion project connecting Arneson Acres Park and Greenhouse to the City’s fiber optic network has been completed. Finally, the Tracy Avenue Roadway Reconstruction Project started last week.
- 4. Golf Dome Replacement** – Parks & Rec staff are working with the Cunningham Group to prepare plans and specifications for the replacement of the golf dome. Lead times in the manufacturing of the fabric are going to push the completion date of the project into December or January. We are still working with Travelers to determine the final insurance settle-

ment for the loss. We should be able to complete those discussions when the plans and specifications for the new golf dome have been completed.

5. **Recycling Contract** – In last week's *Friday Report*, I updated the Council on the additional analysis that staff is conducting on the recycling contract proposals we received in response to the City's residential curbside recycling RFP process. In addition to the additional staff analysis, staff are also seeking reviews and comments from the Recycling and Solid Waste Working Group of the Energy & Environment Commission (EEC) and the EEC itself before advancing this matter back to the Council for contract award at your Aug. 6 meeting. In order to get the new contract implemented before the current contract expires, it will be important for the Council to award the contract at the Aug. 6 meeting. I will keep you informed as the analysis and recommendations on this matter get closer to resolution so that you can feel prepared to make this decision at the Aug. 6 meeting.
6. **Hornets' Nest Project** – The Hornets' Nest project continues to move forward toward its July 17 date with the City Council. Drive for the Hive, LLC is going to recommend the Council review and approve the necessary action items on this matter at your July 17 Council meeting. They are hoping that construction can be completed in time for the new facility to be used later this year or early next year, which means that construction on the project must start very soon. Staff are working with representatives from Drive for the Hive, the school district and the City Attorney's Office to make sure that we can fully inform the Council on the details of the proposed Memorandum of Understanding, and particularly its financial impacts and risks, prior to the July 17 Council meeting.
7. **Upcoming Council Work Sessions** – Our July 17 Council Work Session will be the Council's first ever Quarterly Business Meeting. Staff are working on the agenda and content for that meeting now. It will have a 5 p.m. start time. The Council's Aug. 6 Work Session will consist of two unrelated subjects: a joint meeting between the Council and the Historic Preservation Board followed by a staff presentation on the pros and cons of creating a rental housing inspection program. The Council's Aug. 21 Work Session is still in the planning stages, but is likely to be a joint meeting with the Edina Board of Education and a presentation on the proposed budget process for 2013.
8. **Appropriation of 2011 Undesignated Fund Balance** – I am working with staff on a recommendation for the Council for appropriating the \$1.6 million undesignated General Fund balance from the 2011 budget. I will present the recommendation to the Council at the Aug. 6 Council meeting.
9. **Employee News** – We are interviewing finalists for the Economic Development Manager position next week.